

NEWS

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FOR IMMEDIATE RELEASE
June 8, 2009

Employees of Two Camden Neighborhood Grocery Stores Arrested and Charged with Defrauding the SNAP Program

(More)

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CAMDEN – Three employees of two separate small neighborhood grocery stores located in Camden were arrested today on criminal Complaints charging them with defrauding the Supplemental Nutrition and Assistance Program, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

Rafael Rosario, 52, of Pennsauken, and Maria Magdalena Rodriguez Caba, 31, of Camden, both work at Melina Grocery, a retail grocery store located in Camden. Arsenio Vargas Nunez, 31, of Camden, is employed at Caba Grocery, a small neighborhood grocery store also located in Camden. Each of the defendants is charged in a separate Complaint with one count of embezzling SNAP benefits, which are funded by the United States Department of Agriculture.

These arrests resulted from a one-year investigation by Special Agents of the USDA Office of Inspector General(USDA OIG), with the assistance of Special Agents with the U.S. Secret Service, into fraud involving the Supplemental Nutrition and Assistance Program (“SNAP”) Electronic Benefit Transfer (“EBT”) benefits, formerly known as the Food Stamp Program, by authorized food retailers. Allegedly, these food retailers unlawfully redeemed EBT’s in exchange for cash or the purchase of non-food items.

All three defendants were arrested this morning at separate locations and had initial appearances before U.S. Magistrate Joel Schneider. Judge Schneider detained Nunez due to his immigration status. Judge Schneider detained Caba pending a bail hearing and released Rosario on a \$100,000 bond.

According to the Complaints, both Caba Grocery and Melina Grocery are licensed retailers authorized to redeem SNAP benefits. According to the Complaint, agents conducted a one-year investigation into the defendants’ schemes to accept SNAP benefits from customers in exchange for cash.

According to the Complaints, the defendants would debit a customer’s EBT benefit card for an amount that supposedly represented the price of purchased food. However, according to the Complaint, the defendants commonly exchanged SNAP benefits for a lesser amount of cash. In these exchanges of cash for benefits, the defendants would typically give cash to the customer that represented 50% of the total value of SNAP benefits charged against the customer’s EBT account. In many instances these transactions involved the purchase of a few, low-cost food items such as a beverage or snacks, according to the complaint.

Additionally, on April 1, 2009, the investigation resulted in the arrest of the owner and two employees of the Citgo Food Mart located on Delsea Drive in Westville on separate Complaints, which charges the defendants with conspiracy to embezzle SNAP benefits. Mehal Mothon, 47, of Berlin Township, owner of the food mart, Palwinder Singh, 29, of Buena Vista, Lakhwinder Singh, 42, of Westville, had initial appearances on April 1

before Judge Schneider, who released both Mothon and Palwinder Singh on bond. Judge Schneider detained Lakhwinder Singh due to his immigration status.

Despite the charges set forth in the complaints, every defendant is presumed innocent, unless and until found guilty beyond a reasonable doubt, following a trial at which the defendant has all of the trial rights guaranteed by the U.S. Constitution and federal law.

The charge of embezzling SNAP benefits carries a maximum statutory sentence of 10 years in prison and a fine of up to \$250,000.

In determining an actual sentence, the judge to whom the case is assigned would, upon a conviction, consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Marra credited Special Agents of the Department of Agriculture Office of Inspector General, under the direction of Special Agent in Charge Brian L. Haaser, U.S. Secret Service in Philadelphia, under the direction of Special Agent in Charge Robert Slama, and Police Officers with the Camden Police Department, under the direction of Scott Thomson, for the investigation leading to the Complaints.

The government is represented by Assistant U.S. Attorney Kevin Smith of the Criminal Division in Camden.

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